

## INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

1. The new law concerning agricultural cooperatives (Seljacke Radne Zadruga, SRZ), which allows farmers to disband cooperatives and reacquire their land, resulted in the land belonging to SRZ's being shrunk from seven percent to two percent of the total. An additional fifteen percent belongs to the state farms. The liquidation of cooperatives is still continuing, and in most cases it has not been decided yet how much farmers owe the government for tractors, other machinery, seeds, and other items which the government had contributed at the time of the establishment of the cooperatives.
2. The reasons for the new law were the following:
  - a. The primary reasons was the fact that the majority of cooperatives worked at a deficit and therefore represented a burden for the government. Many cooperatives also made large loans in order to build modern farm buildings and to purchase agricultural machinery and were later not able to pay the money back.
  - b. Another reason for the new law was the government's attempt to increase production. Farmers put very little work into cooperatives because the land was not their own. The government hopes to force them to produce more with the new tax law (see below).
  - c. A secondary reason was also the resistance of the peasants, which in some places resulted in physical clashes between them and the police. The government, however, is not interested in the welfare of farmers because it knows that the majority of them are already against the regime.
3. Generally speaking, SRZ's are to remain only where peasants received land and machinery they never had owned before. This is especially the case

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of Vojvodina where former partisans, families of war dead, and other families from Dalmatia, Lika, Kordun, Herzegovina, and Montenegro were settled after World War II and were given the land of escaped and expelled Germans. Many of these people, especially the older ones, later returned to their native areas because they were not used to working on the land of the Vojvodina, which is the richest in Yugoslavia. This is especially true in the case of Croats from Dalmatia. Dalmatian soil is thin and poor and the farmer spends about sixty working days yearly on it, and, unless he is engaged in another trade, he takes it easy, basks in the sun, and drinks the rest of the time. Almost all of the older Dalmatians have returned from Vojvodina to their native areas. Many of the younger ones have remained, however, because they are more eager to work and to accomplish something.

4. After the new law on SRZ's had been enacted, the government adopted and prepared several new measures in the field of agriculture. Among them are the following:

a. There is a new law on the distribution of land according to which an individual farmer can retain only ten hectares of land (previously twenty hectares), and a patriarchal family setup only fifteen hectares of land (previously thirty hectares). The Commission for Land Maximum (Komisija Za Zemljisni Maksimum) has been set up to establish, on the basis of land records, the amount of land which must be taken away from the farmer. This Commission usually exists at the District level, is appointed by the District People's Committee, and consists of a representative of the People's Committee, a representative of farmers, a surveyor, an agronomist, and a lawyer. When the Commission decides how much land has to be taken away from a farmer, it presents the case to the District Court. If the case has been presented correctly, i.e., if the farmer in question really owns as much land in excess of his allotment that the Commission claims, the Court declares the surplus land to be free. A Commission lawyer represents the Commission before the Court, and the farmer is allowed to have his own attorney. In case the farmer agrees with the decision of the Commission, the Court only confirms it, otherwise there is a trial and a regular Court decision. The farmer can give the surplus land to cooperatives, or state farms, or he can lease it (usually nobody wants to take land in lease because the taxes are too high). He cannot give it to an individual. If the land is not given by the farmer to anyone, it becomes a sort of res nullius, i.e., it is no longer the property of the farmer but it is neither the property of any other person, juridical or private. No decision has been made yet as to what to do with such land.

b. The new income tax law which has been enacted (1954) established the tax on income (Porez na katasterski prihod) based not upon the amount of money received for produce, but on the quality of soil (which is classified and graded) and the type of crops. Tax estimates are made yearly and have to be paid in regular installments. If the farmer fails to pay the tax, his produce is confiscated, and if he has none, he is liable on his other property, first with furniture, machinery, equipment, etc. and then with real estate. Since the tax is based on the average possible production on a certain class of soil, the farmer is stimulated to produce above average, especially since the tax is very high. In horticulture, the tax on one hectare of the first class soil amounts to 270,000 dinars yearly, and with an average

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quantity of produce the farmer can make about 400,00 dinars yearly, which leaves him with 130,000 dinars with which he has to pay labor, seeds, fertilizers, machinery and tool investment, and take care of his own personal expenses. This law represents an attempt to eliminate passive resistance, but the farmers will soon find means to evade the law, perhaps by switching crops from one field to another. This tax represents a large item of the government income and therefore its collection is carried out ruthlessly.

6. Udruga, a new type of cooperative, has been propagandized by the government. Udruga were first started on a very small scale in 1952, but propaganda for them has been very intensified during 1954 and is carried out through the Socialist Alliance of the Working People. This type of cooperative, which is patterned after Danish cooperatives, actually leaves farmers independent; they only agree to coordinate the production of a specific brand of seed, cattle, etc. So far, Udruga have been recommended only for certain types of farms such as livestock farms, or farms specializing in seeds. Up to the present time only a few livestock Udruga have been started. Farmers are reluctant to join, however, because of their past experiences with cooperatives.
7. Chambers of Agriculture (Poljoprivredna komora) have been recently established. Their purpose is to increase production by giving guidance and incentive. Any economic organization can be a member of a chamber of agriculture. Five of them exist presently in Croatia; one for the Zagreb area; two for Slavonia; one for Dalmatia, and one for the Gorski-Kotar-Lika-Kordun area.
8. Specialized agricultural cooperatives and model agricultural cooperatives represent another attempt of the government to convince the farmer that he can attain better results from collective work. Their number is very small.
9. A law on the redistribution of land (Zakon o komasaciji), which is in preparation, is another new feature of the government's plans. The purpose of this law is to put together the land belonging to one farmer and to integrate farms through exchange of pieces of land with other farms. In order to make this exchange satisfactory, it will have to be made with the same quality of land or by compensating richer land with proportionately larger quantities of poorer land. Special maps on the quality of land (pedaloske karte) will have to be made in order to enable the government to carry out this law. The maps are presently in preparation. It will probably take at least ten years to carry out this plan.
10. The general aim of the regime's agricultural policy remains well within the area of theoretical Marxism. The long term goal is still abolition of private farm property and the creation of social farm property. The reforms and measures taken so far and those in preparation are experiments leading towards this aim. They are usually not successful as experiments, but each one of them is a step which makes it more difficult for the individual farmer to own and maintain his individual farm.

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